

HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDING DECEMBER 31, 2003 OF THE CONDITION AND AFFAIRS OF THE

Priority Health

·			C Company Code	95561	Employer's ID Number	38-2715520				
Organized under the Laws of	of	Michigan	, State o	of Domicile or I	Port of Entry	Michigan				
Country of Domicile			United States	s of America						
Licensed as business type:	Life, Accident & Healt	h[]	Property/Casualty [] Dental	Service Corporation []					
	Vision Service Corpor	ation []	Other []	Health	Health Maintenance Organization [X]					
	Hospital, Medical & D	ental Service o	r Indemnity []	Is HMO	, Federally Qualified? Yes [] No [X]				
Incorporated	03/07/1986		Commenced Busin	iess	10/15/198	36				
Statutory Home Office	1231	East Beltline N	NE ,		Grand Rapids, MI 4952	5-4501				
·	(S	treet and Number)			(City or Town, State and Zip	Code)				
Main Administrative Office					E					
			(Str		616-464-8235					
(City or	Town, State and Zip Code)			(Are	ea Code) (Telephone Number)					
Mail Address			,	(
Primary Location of Books a	•			1231 East		,				
•		-			d Number)					
				(Δre						
` ,	rom, state and zip code)		MANAY Prior	,	, , ,					
-			www.pnon	ity-neaith.com						
Statutory Statement Contact	N		-			Extension)				
malcolm.l					616-942-7916					
	(E-mail Address)				(FAX Number)					
Policyowner Relations Conta	ct									
		(Street and Number	er)							
(City or	Town, State and Zip Code)			(Area Coo	de) (Telephone Number) (Extension)				
			OFFICERS							
President	Kimberly	K Horn	OFFICENS	Secretary	Judith W Ho	oovenga				
Treasurer						,,,,,,,,,,,,,				
Organized under the Laws of Michigan , State of Domicile or Port of Entry Michiga Country of Domicile										
Dennis J Re	Grand Rapids Miles Miles									
		DIRECT	ORS OR TRUS	STEES						
Richard C. E	Breon				Harold E	Burrell				
					· -					
· ·										
				, #	Dennis A	iua #				
Daniei H Baid	IVVIII #	516	pnen w burknammer	#						

State of	Michigan	}	ss
County of	Kent)	

12/30/2005

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

Kimberly K Horn President	Judith W Hooyenga Secretary		Dennis J Reese Treasurer				
Subscribed and sworn to before me this 27th day of February, 2004		a. Is this an original filing? b. If no, 1. State the amendment number 2. Date filed	Yes [X] No []				
Cheryl Britcher Executive Administrative Assistant		3. Number of pages attached					

EXHIBIT 3 - ACCIDENT AND HEALTH PREMIUMS DUE AND UNPAID

1	2	3	4	5	6	7
Name of Debtor	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Admitted
0199999 Total individuals			•			
Group subscribers: MI PUBLIC SCHOOL EMPLOYEES RET STATE OF MICHIGAN RETIREES.						
MI PUBLIC SCHOOL EMPLOYEES RET	1,275,470	89,326				1,364,796
STATE OF MICHIGAN RETIREES.	538,679					623,469
SAPPI FINE PAPER NORTH AMERICA	417,897					417,897
0299997 Group subscriber subtotal	2,232,046	174.116	0	0	0	2,406,162
0299998 Premiums due and unpaid not individually listed	3,125,866	271,213	97,025	89,787	89,787	3,494,104
0299999 Total group	5,357,912	445,329	97,025			5,900,266
0399999 Premiums due and unpaid from Medicare entities	,,,,,,,		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		
0499999 Premiums due and unpaid from Medicaid entities						
0599999 Accident and health premiums due and unpaid (Page 2, Line 12)	5,357,912	445,329	97,025	89,787	89,787	5,900,266

EXHIBIT 4 - HEALTH CARE RECEIVABLES

1	2	3	4	5	6	7
Name of Debtor	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Admitted
Individually Listed Receivables: Express ScriptsAesthesia Medical Consultants	1,705,000	1,915,000	194,738	2,591,454	2,687,313	3,718,879
Aesthesia Medical Consultants.	1,700,000	1,913,000	194,730	726,000	726,000	
ALCONO D. C. L. L. C. L.		204 255	447 040	160	160	604 267
0499999 Receivables not individually listed	. 70	204,355	417,012	168	168	621,367
0599999 Gross health care receivables	1,705,000	2,119,355	611,750	3,317,622	3,413,481	4,340,246

EXHIBIT 5 – CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

	Aging Analysis of Unpaid	Claims		_	_	
1	2	3	4	5	6	7
Account	1 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	Over 120 Days	Total
Claims Unpaid (Reported)						
	+					+
						+
0199999 Individually listed claims unpaid	0	0	0	0	0	0
0299999 Aggregate accounts not individually listed-uncovered.	1,778,014					1,778,014 13,652,648
0399999 Aggregate accounts not individually listed-covered	13,652,648					13,652,648
0499999 Subtotals	15,430,662	0	0	0	0	15,430,662
059999 Unreported claims and other claim reserves						55,106,810
0699999 Total amounts withheld						987,905
0799999 Total claims unpaid						71,525,377
0899999 Accrued medical incentive pool and bonus amounts						33,897,648

EXHIBIT 6 - AMOUNTS DUE FROM PARENT, SUBSIDIARIES AND AFFILIATES

1	2	3	4	5	6	Admi	tted
						7	8
Name of Affiliate	1 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Nonadmitted	Current	Non-Current
Individually Listed Receivables:							
Priority Health Managed Benefits	709,312				696,889	12,422	
Priority Health Government Programs	72					72	
Individually Listed Receivables: Priority Health Managed Benefits Priority Health Government Programs Spectrum Hospital	2,129,350					2,129,350	
0199999 Individually listed receivables	2,838,734	0	0	0	696,889	2,141,844	0
0299999 Receivables not individually listed						, ,,,,,	
0399999 Total gross amounts receivable	2,838,734	0	0	0	696,889	2,141,844	0

EXHIBIT 7 - AMOUNTS DUE TO PARENT, SUBSIDIARIES AND AFFILIATES

1	2	3	4	5
Affiliate	Description	Amount	Current	Non-Current
Priority Health Managed Benefits Priority Health Government Programs Allianz	Trade	139,178	139,178	
Priority Health Government Programs	Trade	90,000	90,000	
Allianz	Trade	4,725		4,725
0199999 Individually listed payables		233,903	229,178	4,725
0299999 Payables not individually listed				
0199999 Individually listed payables. 0299999 Payables not individually listed 0399999 Total gross payables		233,903	229,178	4,725

Ŋ

ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Priority Health

EXHIBIT 8 PART 1- SUMMARY OF TRANSACTIONS WITH PROVIDERS

	1	2	3	4	5	6
	Direct Medical	Column 1	Total	Column 3	Column 1	Column 1
	Expense	as a %	Members	as a %	Expenses Paid to	Expenses Paid to
Payment Method	Payment	of Total	Covered	of Total	Affiliated Providers	Non-Affiliated Providers
Capitation Payments:						
1. Medical groups	45,372,455	7.3		0.0	45,372,455	
2. Intermediaries	0	0.0		0.0		
3. All other providers	105,896,229	17.0		0.0	105,896,229	
4. Total capitation payments	151,268,684	24.3	0	0.0	151,268,684	0
Other Payments:						
5. Fee-for-service	41,350,705	6.6	XXX	XXX		41,350,705
6. Contractual fee payments	0	0.0	XXX	XXX		
7. Bonus/withhold arrangements - fee-for-service	0	0.0	XXX	XXX		
8. Bonus/withhold arrangements - contractual fee payments	429,994,621	69 . 1	XXX	XXX	429,994,621	
9. Non-contingent salaries	0	0.0	XXX	XXX		
10. Aggregate cost arrangements	0	0.0	XXX	XXX		
11. All other payments	0	0.0	XXX	XXX		
12. Total other payments	471,345,326	75.7	XXX	XXX	429,994,621	41,350,705
13. TOTAL (Line 4 plus Line 12)	622,614,010	100 %	XXX	XXX	581,263,305	41,350,705

EXHIBIT 8 - PART 2 - SUMMARY OF TRANSACTIONS WITH INTERMEDIARIES

1	2	3	4 Average Monthly Capitation	6 Intermediary's Total Adjusted Capital	7 Intermediary's Authorized Control Level RBC
NAIC Code	Name of Intermediary	Capitation Paid	Capitation	Total Adjusted Capital	Control Level RBC
	NONE				
		.			
9999999 Totals			XXX	XXX	XXX

EXHIBIT 9 – FURNITURE, EQUIPMENT AND SUPPLIES OWNED

· · · · · · · · · · · · · · · · · · ·	1	2	3	4	5	6
Description	Cost	Improvements	Accumulated Depreciation	Book Value Less Encumbrances	Assets Not Admitted	Net Admitted Assets
Administrative furniture and equipment	4,239,144		4,108,325	130,818	130,818	
Medical furniture, equipment and fixtures						
Pharmaceuticals and surgical supplies						
Durable medical equipment						
Other property and equipment	7,111,111		6,637,510	473,601	451,035	22,567
6. Total	11,350,255	0	10,745,835	604,419	581,853	22,567



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION Priority Health

NAME OF THE OTHER OF THE OTHER OF THE OTHER OTHE										(LOCA		0 1	05504
NAIC Group Code 3383 BUSINESS IN THE STATE OF	- Michigan	Compre	honeivo		DURING THE YE	:AR 2003		1	1	I	NAIC Compa	ny Code	95561
	1	(Hospital 8		4	5	6	7	8	9	10	11	12	13
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at end of:													
1. Prior Year	288,535	207	288,328										
2 First Quarter	311,254	630	310,624										
3 Second Quarter	324,818	742	324,076										
4. Third Quarter	331,736	777	330,959										
5. Current Year	335,480	786	334,694										
6 Current Year Member Months	3,866,469	8,624	3,857,845										
Total Member Ambulatory Encounters for Year:													
7. Physician	2,116,838	4,722	2,112,116										
8. Non-Physician	57,399	127	57,272										
9. Total	2,174,237	4,849	2,169,388	0	0	0	0	0	0	0	0	0	0
10. Hospital Patient Days Incurred	73,574	164	73,410										
11. Number of Inpatient Admissions	19,725	44	19,681										
12. Health Premiums Collected	778 , 558 , 571	2,355,882	776,202,689										
13. Life Premiums Direct	0												
14. Property/Casualty Premiums Written	0												
15. Health Premiums Earned	774,991,147	2,344,690	772,853,805						(204,946)				(2,402)
16. Property/Casualty Premiums Earned	0												
17. Amount Paid for Provision of Health Care Services	622,614,010	1,919,695	619,759,387						934 , 928				
18. Amount Incurred for Provision of Health Care Services	676,408,040	1,959,439	675,032,026						(583,425)				

(a) For health business: number of persons insured under PPO managed care products



EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION (a)

REPORT FOR: 1. CORPORATION Priority Health

NAIC Group Code 3383 BUSINESS IN THE STATE OF 0	Consolidated			ı	OURING THE YE	AR 2003				(LOCA	TION) NAIC Compai	ny Code	95561
	1	Compre (Hospital &	& Medical)	4	5	6	7	8	9	10	11	12	13
	Total	2 Individual	3 Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at end of:													
1. Prior Year	288,535	207	288,328	0	0	0	0	0	0	0	0	0	(
2 First Quarter	311,254	630	310,624	0	0	0	0	0	0	0	0	0	
3 Second Quarter	324,818	742	324,076	0	0	0	0	0	0	0	0	0	(
4. Third Quarter	331,736	777	330,959	0	0	0	0	0	0	0	0	0	(
5. Current Year	335,480	786	334,694	0	0	0	0	0	0	0	0	0	(
6 Current Year Member Months	3,866,469	8,624	3,857,845	0	0	0	0	0	0	0	0	0	(
Total Member Ambulatory Encounters for Year:													
7. Physician	2,116,838	4,722	2,112,116	0	0	0	0	0	0	0	0	0	0
8. Non-Physician	57,399	127	57,272	0	0	0	0	0	0	0	0	0	(
9. Total	2,174,237	4,849	2,169,388	0	0	0	0	0	0	0	0	0	(
10. Hospital Patient Days Incurred	73,574	164	73,410	0	0	0	0	0	0	0	0	0	(
11. Number of Inpatient Admissions	19,725	44	19,681	0	0	0	0	0	0	0	0	0	(
12. Health Premiums Collected	778,558,571	2,355,882	776 , 202 , 689	0	0	0	0	0	0	0	0	0	
13. Life Premiums Direct	0	0	0	0	0	0	0	0	0	0	0	0	(
14. Property/Casualty Premiums Written	0	0	0	0	0	0	0	0	0	0	0	0	(
15. Health Premiums Earned	774,991,147	2,344,690	772,853,805	0	0	0	0	0	(204,946)	0	0	0	(2,402
16. Property/Casualty Premiums Earned	0	0	0	0	0	0	0	0	0	0	0	0	(
17. Amount Paid for Provision of Health Care Services	622,614,010	1,919,695	619,759,387	0	0	0	0	0	934,928	0	0	0	
18. Amount Incurred for Provision of Health Care Services	676,408,040	1,959,439	675,032,026	0	0	0	0	0	(583,425)	0	0	0	

(a) For health business: number of persons insured under PPO managed care products 0

SCHEDULE A VERIFICATION BETWEEN YEARS

1.	Book/adjusted carrying value, December 31, prior year (prior year statement)	714,177
	Increase (decrease) by adjustment:	
	2.1 Totals, Part 1, Column 10	(159,789)
	2.1 Totals, Part 1, Column 10 2.2 Totals, Part 3, Column 7	0
	Cost of acquired, (Totals, Part 2, Column 6, net of encumbrances (Column 7) and net of additions and permanent improvements (Column 9)	
4.	Cost of additions and permanent improvements:	
	4.1 Totals, Part 1, Column 13	0
	4.1 Totals, Part 1, Column 13 4.2 Totals, Part 3, Column 9 Total profit (loss) on sales, Part 3, Column 14	0
5.	Total profit (loss) on sales, Part 3, Column 14	0
6.	Increase (decrease) by foreign exchange adjustment:	
	6.1 Totals, Part 1, Column 11	0
	6.2 Totals, Part 3, Column 8	0
7.	Amounts received on sales, Part 3, Column 11 and Part 1, Column 12	0
8.		554 , 388
9.	Total valuation allowance	
10.	Subtotal (Lines 8 plus 9)	554 , 388
11.	Total nonadmitted amounts	83 , 159
12.	Statement value, current period (Page 2, real estate lines, current period)	471,229

SCHEDULE B VERIFICATION BETWEEN YEARS

1.	Book value/recorded investment excluding accrued interest of mortgages owned, December 31 of prior year
2.	Amount loaned during year:
	2.1 Actual cost at time of acquisitions
	2.2 Additional investment made after acquisitions
3.	Accrual of discount and mortgage interest points and commitment fees
4.	Increase (decrease) by adjustment
	Total profit (loss) on sale
6.	Amounts paid on account or in full during the year
	Amortization of premium
	Increase (decrease) by foreign exchange adjustment
9.	Book value/recorded investment excluding accrued interest on mortgages owned at end of current period
10.	Total valuation allowance
	Subtotal (Lines 9 plus 10)
12.	Total nonadmitted amounts
13	Statement value of mortgages owned at and of current pariod

SCHEDULE BA VERIFICATION BETWEEN YEARS

1.	Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year	3,520,750
2.	Cost of acquisitions during year:	
	2.1 Actual cost at time of acquisitions	
	2.2 Additional investment made after acquisitions	002,010,000
3.	Accrual of discount	
4.	Increase (decrease) by adjustment	(336,409)
5.	Total profit (loss) on sale	
6.	Amounts paid on account or in full during the year	
7.	Amortization of premium	
8.	Increase (decrease) by foreign exchange adjustment	
9.	Book/adjusted carrying value of long-term invested assets at end of current period	5 , 194 , 341
10.	Total valuation allowance	
11.	Subtotal (Lines 9 plus 10)	5 , 194 , 341
12.		
13.	Statement value of long-term invested assets at end of current period	5 , 194 , 341

5.7 Totals

7.383.282

9.266.757

2.409.921

810.566

ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Priority Health

SCHEDULE D - PART 1A - SECTION 1

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations 10 Over 1 Year Through Over 5 Years Through Over 10 Years Total from Col. 6 % From Col. 7 Total Publicly Total Privately Placed Col. 6 as a Quality Rating per the NAIC Designation 10 Years Through 20 Years Over 20 Years **Total Current Year** % of Line 10.7 Prior Year Prior Year Traded 1 Year or Less 5 Years (a) 1. U.S. Governments, Schedules D & DA (Group 1) .16,107,897 .62,354,069 53.9 ..38,542,665 .54.4 ..62,354,069 1.1 Class 1 .46,246,172 1.2 Class 2 0.0 0.0 1.3 Class 3 ..0.0 .0.0 1.4 Class 4 0.0 0.0 0.0 1.5 Class 5 0.0. 1.6 Class 6 0.0 0.0 16.107.897 62.354.069 53.9 38.542.665 54.4 46.246.172 62.354.069 1.7 Totals 2. All Other Governments, Schedules D & DA (Group 2) 2.1 Class 1 0.0 .0.0 ..0.0 .0.0 2.2 Class 2 ..0.0 .0.0 2.3 Class 3 2.4 Class 4 0.0 0.0 2.5 Class 5 ..0.0 .0.0 2.6 Class 6 0.0 0.0 0.0 0.0 2.7 Totals 3. States, Territories and Possessions etc., Guaranteed, Schedules D & DA (Group 3) 0.0 0.0 3.2 Class 2 0.0. ..0.0 3.3 Class 3 .0.0 .0.0 .0.0 .0.0 3.4 Class 4 3.5 Class 5 0.0 0.0. 3.6 Class 6 0.0 0.0 3.7 Totals 0.0 0.0 4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4) .174,605 ..0.2 ..174,566 0.2 ..174,605 4.1 Class 1 ..0.0 4.2 Class 2 .0.0 0.0 4.3 Class 3 0.0 0.0 4.4 Class 4 .0.0 4.5 Class 5 0.0 .0.0 0.0 0.0 4.6 Class 6 4.7 Totals 174.605 174,605 0.2 174,566 0.2 174.605 5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5) ..17..3 5.1 Class 1 .7.383.282 ..9.266.757 2.409.921 .810.566 ..86,777 .19,957,303 .14,671,608 .20.7 .19.957.293 0.0 5.2 Class 2 ..0.0 5.3 Class 3 0.0 .0.0 5.4 Class 4 .0.0 .0.0 5.5 Class 5 ..0.0 ..0.0 0.0 0.0 5.6 Class 6

86.777

19.957.303

17.3

14.671.608

20.7

19.957.293

9.6 Class 6

9.7 Totals

ANNUAL STATEMENT FOR THE YEAR 2003 OF THE Priority Health

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations Over 1 Year Through Over 5 Years Through Over 10 Years Col. 6 as a Total from Col. 6 % From Col. 7 Total Publicly Total Privately Placed Quality Rating per the NAIC Designation 1 Year or Less 5 Years 10 Years Through 20 Years Over 20 Years **Total Current Year** % of Line 10.7 Prior Year Prior Year Traded (a) 6. Public Utilities (Unaffiliated), Schedules D & DA (Group 6) 0.0. 6.1 Class 1 0.0. 6.2 Class 2 0.0 0.0 0.0 6.3 Class 3 .0.0 6.4 Class 4 ..0.0 0.0 ..0.0 6.5 Class 5. .0.0 0.0 0.0 6.6 Class 6 0.0 0.0 6.7 Totals 7. Industrial & Miscellaneous (Unaffiliated), Schedules D & DA (Group 7) .13,299,178 7.1 Class 1 ..10,434,815 ..5,325,903 .29,059,896 .25.1 .17,524,657 .24.7 .29,059,897 1,830,538 2,250,133 7.2 Class 2 ...4,080,671 ..3.5 .0.0 ..4,080,671 7.3 Class 3 0.0 .0.0 7.4 Class 4 0.0 0.0 0.0 7.5 Class 5 .0.0 0.0 7.6 Class 6 0.0 7.7 Totals 10.434.815 15.129.716 7.576.036 33.140.567 28.7 17.524.657 24.7 33.140.568 8. Credit Tenant Loans, Schedules D & DA (Group 8) 0.0 8.1 Class 1 .0.0 0.0. .0.0 8.2 Class 2 8.3 Class 3 ..0.0 .0.0 8.4 Class 4 0.0 .0.0 8.5 Class 5 0.0 .0.0 0.0 8.6 Class 6 0.0 0.0 8.7 Totals 0.0 9. Parent, Subsidiaries and Affiliates, Schedules D & DA (Group 9) .0.0 9.1 Class 1 .0.0 9.2 Class 2 ..0.0 .0.0 9.3 Class 3 0.0 .0.0 9.4 Class 4 0.0. .0.0 9.5 Class 5. 0.0 0.0

0.0

0.0

0.0

SCHEDULE D - PART 1A - SECTION 1 (continued)

Quality and Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Types of Issues and NAIC Designations 10 Over 1 Year Through Total from Col. 6 % From Col. 7 Total Publicly Total Privately Placed Over 5 Years Through Over 10 Years Col. 6 as a Quality Rating per the NAIC Designation Through 20 Years Over 20 Years % of Line 10.7 Prior Year 1 Year or Less 5 Years 10 Years Total Current Year Prior Year Traded (a) 10. Total Bonds Current Year 10.1 Class 1 ..64,064,269 .38,673,832 .7,910,429 .810,566 ..86,777 .111,545,873 96.5 XXX XXX .111,545,864 .1,830,538 ..2,250,133 ...4,080,671 ..3.5 .XXX. XXX. ...4,080,671 10.2 Class 2 0.0. .XXX. 10.3 Class 3 XXX. XXX. 10.4 Class 4 0.0. XXX. XXX 10.5 Class 5 0.0 XXX 0.0 XXX XXX 10.6 Class 6 .115 , 626 , 544 10.7 Totals .64,064,269 40,504,370 10,160,562 810.566 .86,777 100.0 XXX XXX .115,626,535 10.8 Line 10.7 as a % of Col. 6 55.4 35.0 8.8 0.7 0.1 100.0 XXX XXX XXX 100.0 0.0 11. Total Bonds Prior Year 3.670.608 .209,383 1.509.017 XXX XXX 70.913.496 100.0 70.913.498 39.036.854 26.487.634 11.1 Class 1 XXX XXX 11.2 Class 2 0.0 11.3 Class 3 XXX XXX 0.0 11.4 Class 4 XXX XXX 0.0 11.5 Class 5 XXX XXX 0.0 11.6 Class 6 XXX XXX 0.0 .1,509,017 .XXX. .XXX. ..70,913,496 .70,913,498 11.7 Totals .39,036,854 .26,487,634 .3,670,608 .209,383 .100.0 11.8 Line 11.7 as a % of Col. 8 55.0 37.4 5.2 XXX XXX 100.0 XXX 100.0 0.0 0.3 2.1 12. Total Publicly Traded Bonds .111.545.864 12.1 Class 1 .64.064.269 7.910.429 .810.556 .86.777 .111.545.864 .70.913.498 .100.0 XXX 12.2 Class 2 1.830.538 .2,250,133 ..4,080,671 3.5 0.0 4.080.671 XXX 12.3 Class 3 0.0 XXX 0.0 0.0 XXX 12.4 Class 4 0.0 XXX 12.5 Class 5 0.0 0.0 XXX 12.6 Class 6 0.0 12.7 Totals 100.0 .70,913,498 .64,064,269 40,504,371 10,160,562 .810,556 115,626,535 .100.0 XXX 12.8 Line 12.7 as a % of Col. 6 55.4 .35.0 8.8 0.7 0.1 100.0 XXX XXX XXX 100.0 XXX 12.9 Line 12.7 as a % of Line 10.7. 55.4 35.0 8.8 0.7 0.1 100.0 XXX XXX 100.0 XXX Col. 6, Section 10 13. Total Privately Placed Bonds XXX 13.1 Class 1 13.2 Class 2 0.0 0.0 XXX 13.3 Class 3 0.0 0.0 XXX 13.4 Class 4 0.0 0.0 XXX XXX 13.5 Class 5 0.0 0.0 XXX 0.0 0 0 13.6 Class 6 13.7 Totals 0.0 0.0 XXX 13.8 Line 13.7 as a % of Col. 6 0.0 0.0 ..0.0 0.0 0.0 0.0 XXX. XXX XXX XXX. .0.0 13.9 Line 13.7 as a % of Line 10.7. 0.0 0.0 0.0 0.0 0.0 XXX XXX XXX XXX 0.0 Col. 6. Section 10

SCHEDULE D - PART 1A - SECTION 2

Maturity Distribution of All Bonds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues 8 Over 1 Year Total from Col 6 % From Col. Total Publicly Total Privately Over 5 Years Over 10 Years Col. 6 as a % Through 5 Years Through 10 Years Through 20 Years Distribution by Type 1 Year or Less Over 20 Years Total Current Year of Line 10.7 Prior Year Prior Year Traded Placed 1, U.S. Governments, Schedules D & DA (Group 1) .46,246,172 ..38,542,665 .54.4 .62,354,069 1.1 Issuer Obligations .16, 107, 897 .62,354,069 0.0 1.2 Single Class Mortgage-Backed/Asset-Backed Securities 0.0 53.9 38,542,665 54.4 46,246,172 16,107,897 62,354,069 62,354,069 1.7 Totals 2. All Other Governments, Schedules D & DA (Group 2) 0 0 .0.0 2.1 Issuer Obligations. ..0.0 .0.0 2.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES 2.3 Defined 0.0 0.0 0.0 2.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES 0.0 2.5 Defined 2.6 Other 0.0 0.0 0.0 0.0 2.7 Totals 3. States. Territories, and Possessions Guaranteed, Schedules D & DA (Group 3) 3.1 Issuer Obligations 0 0 0.0 ..0..0 .0.0 3.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES 3.3 Defined ..0.0 0.0. ..0.0 3.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES 3.5 Defined .0.0 0.0 0.0 3.6 Other 0 0.0 0.0 3.7 Totals 4. Political Subdivisions of States, Territories and Possessions, Guaranteed, Schedules D & DA (Group 4) 174.605 .174,605 0.2 174,566 .174,605 .0.2 4.1 Issuer Obligations 4.2 Single Class Mortgage-Backed/Asset-Backed Securities 0.0 .0.0 MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES 4.3 Defined 0.0 .0.0 0.0 .0.0 4.4 Other MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES ..0.0 4.5 Defined 0.0 0.0 4.6 Other 174,605 174,605 0.2 174,566 174,605 4.7 Totals 0.2 5. Special Revenue & Special Assessment Obligations etc., Non-Guaranteed, Schedules D & DA (Group 5) 5.6 .6,529,437 .7,774,159 .11.0 .6,529,437 1,502,615 5.1 Issuer Obligations .86,777 ..2,337,239 .7,255,260 .2,409,921 ..810.556 .12,899,753 ..11.2 .5,954,144 ..8.4 12,899,754 5.2 Single Class Mortgage-Backed/Asset-Backed Securities MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES .19.221 .528.103 .508.882 .528.103 .0.5 .943.305 5.3 Defined 5.4 Other 0.0 .0.0 MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES .0.0 5.5 Defined 0.0 0.0 5.6 Other 5.7 Totals 7,383,282 9,266,757 2,409,921 810,556 86,777 19,957,293 17.3 14.671.608 20.7 19,957,294

SCHEDULE D - PART 1A - SECTION 2 (continued)

		Maturity Distribution	n of All Bonds Owned	December 31, at Book	/Adjusted Carrying Va	llues by Major Type ar	nd Subtype of Iss	sues			
	1	2 Over 1 Year Through	3 Over 5 Years	4 Over 10 Years	5	6	7 Col. 6 as a	8 Total from Col. 6	9 % From Col. 7	10 Total Publicly	11 Total Privately
Distribution by Type	1 Year or Less	5 Years	Through 10 Years	Through 20 Years	Over 20 Years	Total Current Year	% of Line 10.7	Prior Year	Prior Year	Traded	Placed
6. Public Utilities (Unaffiliated), Schedules D & DA (Group 6)	,									
6.1 Issuer Obligations						0	0.0	0	0.0		
6.2 Single Class Mortgage-Backed/Asset-Based Securities						0	0.0	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES											
6.3 Defined						0	0.0	0	0.0		
6.4 Other						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES											
6.5 Defined						0	0.0	0	0.0		
6.6 Other						0	0.0	0	0.0		
6.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	
7. Industrial & Miscellaneous (Unaffiliated), Schedu	les D & DA (Group 7)	•									
7.1 Issuer Obligations	10,434,815	13,784,768	7,576,036	[31,795,619	27.5	15,235,101	21.5	31,795,619	
7.2 Single Class Mortgage-Backed/Asset-Based Securities	, , , , , , , , , , , , , , , , , , , ,	, , ,	, , , , , ,			0	0.0	0	0.0	, ,	
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES											
7.3 Defined						0	0.0	0	0.0		
7.4 Other						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES											
7.5 Defined						0	0.0	0	0.0		
7.6 Other			1,344,948			1,344,948		2,289,557	3.2	1,344,947	
7.7 Totals	10,434,815	13,784,768	8,920,984	0	0	33,140,567	28.7	17,524,658	24.7	33,140,566	
8. Credit Tenant Loans, Schedules D & DA (Group 8	3)										
8.1 Issuer Obligations]		0	0.0	0	0.0		
8.7 Totals	0	0	0	0	0	0	0.0	0	0.0	0	
9. Parents, Subsidiaries and Affiliates, Schedules D	& DA (Group 9)										
9.1 Issuer Obligations]		0	0.0	0	0.0		
9.2 Single Class Mortgage-Backed/Asset-Based Securities						0	0.0	0	0.0		
MULTI-CLASS RESIDENTIAL MORTGAGE- BACKED SECURITIES											
9.3 Defined						0	0.0	0	0.0		
9.4 Other						0	0.0	0	0.0		
MULTI-CLASS COMMERCIAL MORTGAGE- BACKED/ASSET-BACKED SECURITIES											
9.5 Defined			•••••			0	0.0	0	0.0		
9.6 Other						0	0.0	0	0.0		
9.7 Totals	0	0	0	0	0	0	0.0	n	0.0	0	

SCHEDULE D - PART 1A - SECTION 2 (continued) ity Distribution of All Ronds Owned December 31, at Book/Adjusted Carrying Values by Major Type and Subtype of Issues

Maturity Distrib	oution of All Bond	ls Owned Decemb	<u>er 31, at Book/Ad</u>	justed Carrying Va	alues by Major Ty	pe and Subtype of	Issues				
	1	2	3	4	5	6	7	8	9	10	11
		Over 1 Year	Over 5 Years	Over 10 Years		Total		Total From Col. 6		Total Publicly	Total Privately
Distribution by Type	1 Year or Less	Through 5 Years	Through 10 Years	Through 20 Years	Over 20 Years	Current Year	of Line 10.7	Prior Year	Prior Year	Traded	Placed
10. Total Bonds Current Year											
10.1 Issuer Obligations	61,707,809	31,395,280	7,750,641	0	0	100,853,730	87.2	XXX	ХХХ	100,853,730	0
10.2 Single Class Mortgage-Backed/Asset-Backed Securities	2,337,239	7,255,260	2,409,921	810,556	86,777	12,899,753	11.2	XXX	ХХХ	12,899,754	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
10.3 Defined	19,221	508,882	0	0	0	528, 103	0.5	XXX	XXX	528 , 103	0
10.4 Other	0	0	0	0	0	0	0.0	XXX	XXX	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
10.5 Defined	0	0	0	0	0	0	0.0	XXX	XXX	0	0
10.6 Other	0	0	1,344,948	0	0	1,344,948	1.2	XXX	XXX	1.344.947	0
10.7 Totals	64,064,269	39, 159, 422	11,505,510	810,556		115.626.534	100.0	XXX	XXX	115,626,534	0
10.8 Line 10.7 as a % of Col. 6	55.4	33.9	10.0	0.7	0.1	100.0	XXX	XXX	XXX	100.0	0.0
11. Total Bonds Prior Year				***	***						***
11.1 Issuer Obligations	36.660.342	20,756,202	2.809.947	0	1,500,000	XXX	XXX	61.726.491	870	61.726.492	0
11.2 Single Class Mortgage-Backed/Asset-Backed Securities	1.162.648	3.712.434	860.662	209.383	9.017	XXX	XXX	5.954.144	8.4	5.954.145	n
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	1,102,040	, / 12, 404		200,000	,0,017						
11.3 Defined	764.471	178,834	0	0	0	XXX	XXX	943.305	1.3	943.305	0
11.4 Other	0	170,004	0	0	0	XXX	XXX	0	0.0	0	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES								0			
11.5 Defined	0	0	0	0	0	XXX	XXX	0	0.0	0	0
11.6 Other	449,393	1,840,164	 N	0	n	XXX	XXX	2,289,557	3.2	2,289,557	0
11.7 Totals	39.036.854	26.487.634	3.670.609	209.383	1,509,017	XXX	XXX	70.913.497	100.0	70.913.499	0
11.8 Line 11.7 as a % of Col. 8	55.0	37.4	5.2	0.3	2.1	XXX	XXX	100.0	XXX	100.0	0.0
	55.0	31.4	J.Z	0.3	4.1	۸۸۸	۸۸۸	100.0	۸۸۸	100.0	0.0
12. Total Publicly Traded Bonds	04 707 000	04 005 000	7 750 044			400 050 700	07.0	04 700 404	07.0	400 050 700	VVV
12.1 Issuer Obligations	61,707,809	31,395,280	7,750,641	040 550	00 777	100,853,730	87.2	61,726,491	87.0	100,853,730	XXX
12.2 Single Class Mortgage-Backed/Asset-Backed Securities	2,337,239	7 , 255 , 260	2,409,921	810,556	86,777	12,899,753	11.2	5 , 954 , 144	8.4	12,899,753	XXX
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES	40, 004	500,000				F00, 400	٥.۶	0.40, 0.05	4.0	F00 400	VVV
12.3 Defined	19,221	508,882				528,103	0.5	943,305	1.3	528 , 103	XXXXXX
12.4 Other		•				D	0.0	0	0.0	0	XXX
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES						0	0.0	0	0.0	0	VVV
12.5 Defined			4 044 040				0.0	U	0.0		XXX
12.6 Other			1,344,948			1,344,948	1.2	2,289,557	3.2	1,344,948	XXX
12.7 Totals	64,064,269	39 , 159 , 422	11,505,510	810,556	86,777	115,626,534	100.0	70,913,497	100.0	115,626,534	XXX
12.8 Line 12.7 as a % of Col. 6	55.4	33.9	10.0	0.7	0.1	100.0	XXX	XXX	XXX	100.0	XXX
12.9 Line 12.7 as a % of Line 10.7, Col. 6, Section 10	55.4	33.9	10.0	0.7	0.1	100.0	XXX	XXX	XXX	100.0	XXX
13. Total Privately Placed Bonds											
13.1 Issuer Obligations		ļ		ļ		0	0.0	0	0.0	XXX	0
13.2 Single Class Mortgage-Backed/Asset-Backed Securities					<u> </u>	0	0.0	0	0.0	XXX	0
MULTI-CLASS RESIDENTIAL MORTGAGE-BACKED SECURITIES											
13.3 Defined				<u> </u>		0	0.0	0	0.0	XXX	0
13.4 Other						0	0.0	0	0.0	XXX	0
MULTI-CLASS COMMERCIAL MORTGAGE-BACKED/ASSET-BACKED SECURITIES											
13.5 Defined		_		<u> </u>		0	0.0	0	0.0	XXX	0
13.6 Other						0	0.0	0	0.0	XXX	0
13.7 Totals	0	0	0	0	0	0	0.0	0	0.0	XXX	0
13.8 Line 13.7 as a % of Col. 6	0.0	0.0	0.0	0.0	0.0	0.0	XXX	XXX	XXX	XXX	0.0
13.9 Line 13.7 as a % of Line 10.7, Col. 6, Section 10	0.0	0.0	0.0		0.0	0.0		XXX	XXX	XXX	0.0

SCHEDULE DA - PART 2

Verification of SHORT-TERM INVESTMENTS Between Years

Verification of SHORT-TERM INVEST	IMENIS Between Years		-		_
	1	2	3	4	5
	Total	Bonds	Mortgage Loans	Other Short-term Investment Assets(a)	Investments in Parent, Subsidiaries and Affiliates
Book/adjusted carrying value, prior year	29,599,727	29,599,727	0	0	0
Cost of short-term investments acquired	79,921,508	79,921,508			
3. Increase (decrease) by adjustment	(1,174,746)	(1,174,746)			
Increase (decrease) by foreign exchange adjustment	0				
5. Total profit (loss) on disposal of short-term investments	0				
6. Consideration received on disposal of short-term investments	51,190,000	51,190,000			
7. Book/adjusted carrying value, current year	57 , 156 , 489	57,156,489	0	0	0
8. Total valuation allowance	0				
9. Subtotal (Lines 7 plus 8)	57, 156, 489	57 , 156 , 489	0	0	0
10. Total nonadmitted amounts	0				
11. Statement value (Lines 9 minus 10)	57 , 156 , 489	57 , 156 , 489	0	0	0
12. Income collected during year	140 , 175	140 , 175			
13. Income earned during year	626,021	626,021			

(a) Indicate the category of such assets, for example, joint ventures, transportation equipment:

Schedule DB - Part A - VBY

NONE

Schedule DB - Part B - VBY NONE

Schedule DB - Part C - VBY NONE

Schedule DB - Part D - VBY

NONE

Schedule DB - Part E - VBY NONE

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

Schedule S - Part 1 - Section 2

NONE

SCHEDULE S - PART 2

1	Reins 2	urance Recoverat	ole on Paid and Unpaid Losses Listed by Re 4	insuring Company as of December 31, Curre	nt Year 6	7
NAIC Company	Federal ID					
90611	41 - 1366075	09/01/2000	Name of Company Allianz Life Insurance Company	Minnesota	138,874	Unpaid Losses
0499999 - Acci	dent and Health / Is - Accident and	Affiliates d Health			138,874 138,874	50,000 50,000
	13 Noordon an				100,014	30,000
		•				
l						
		•				
		•				
		• • • • • • • • • • • • • • • • • • • •				
0700000 T					400.07:	F0 000
0799999 - Tot	tais				138,874	50,000

SCHEDULE S - PART 3 - SECTION 2

			R	einsurance Ceded Accident and Health Insu	- rance Listed	d by Reinsuring Con	npany as of Decembe	er 31. Current Year				
1	2	3	4	5	6	7	8	9	Outstanding 9	Surplus Relief	12	13
NAIC				-				Reserve Credit	10	11	Modified	
Company	Federal ID						Unearned Premiums	Taken Other than for			Coinsurance	Funds Withheld
Code	Number	Effective Date	Name of Company	Location	Type	Premiums	(estimated)	Taken Other than for Unearned Premiums	Current Year	Prior Year	Reserve	Under Coinsurance
90611	41 - 1366075	09/01/2000	Allianz Life Insurance Company	Minnesota	SSL/L	1,516,910	0	0	0	0	0	0
0199999 -	· Total Affiliates	S				1,516,910						
	· · · · · · · · · · · · · · · · · · ·					• • • • • • • • • • • • • • • • • • • •						
		•				•						
					+	•						
		•			†	• • • • • • • • • • • • • • • • • • • •						
		•			1	•						
					I							
						• • • • • • • • • • • • • • • • • • • •						
		•			.	•						
		•				•						
					-	•						
		• • • • • • • • • • • • • • • • • • • •				•						
		•			•	•						
	· · · · · · · · · · · · · · · · · · ·	• • • • • • • • • • • • • • • • • • • •			•	• • • • • • • • • • • • • • • • • • • •						
	· · · · · · · · · · · · · · · · · · ·	•			***************************************	•	•				•••••	
						• • • • • • • • • • • • • • • • • • • •						
	· · · · · · · · · · · · · · · · · · ·					•						
												
					+							
		•										
	· · · · · · · · · · · · · · · · · · ·	•										
					†							
					†							
		•			ļ	•						
												
												
		•										
0399999	Totals					1,516,910						

SCHEDULE S - PART 4

					Rein	surance Ceded to U	nauthorized Compai	nies					
1 NAIC	2	3	4	5	6 Paid and Unpaid	7	8	9	10	11	12	13	14 Sum of Cols. 9+10+11+12+13 But
	Federal ID	Effective		Reserve Credit	Losses Recoverable		Total			Funds Deposited by and Withheld from		Miscellaneous	Not in Excess of
Code	Number	Date	Name of Reinsurer	Taken	(Debit)	Other Debits	Cols. (5+6+7)	Letters of Credit	Trust Agreements	Reinsurers	Other	Balances (Credit)	Col. 8
												-	
							NE						
												-	
												-	<u> </u>
													·
1199999	Totals												

Schedule S-Part 5 Five-Year Exhibit of Reinsurance Ceded Business (000 Omitted)

(000 Offitted)								
		1 2003	2 2002	3 2001	4 2000	5 1999		
Α. (DPERATIONS ITEMS							
1.	Premiums	1,517	1,283	1,111	1,488	1,488		
2.	Title XVIII-Medicare	0	0	0	0	0		
3.	Title XIX-Medicaid	0	117	117	111	181		
4.	Commissions and reinsurance expense allowance		0	0	0	0		
5.	Total hospital and medical expenses		0	0	0	0		
В. І	BALANCE SHEET ITEMS							
6.	Premiums receivable		0	0	0	0		
7.	Claims payable		0	0	0	0		
8.	Reinsurance recoverable on paid losses	139	0	0	515	447		
9.	Experience rating refunds due or unpaid		0	0	0	0		
10.	Commissions and reinsurance expense allowances unpaid		0	0	0	0		
11.	Unauthorized reinsurance offset	0	0	0	0	0		
C. I	JNAUTHORIZED REINSURANCE (DEPOSITS BY AND FUNDS WITHHELD FROM)							
	Funds deposited by and withheld from (F)			0	0	0		
13.	Letters of credit (L)	0	0	0	0	0		
14.	Trust agreements (T)	0	0	0	0	0		
15.	Other (O)	0	0	0	0	0		

SCHEDULE S-PART 6

Restatement of Balance Sheet to Identify Net Credit For Ceded Reinsurance

	modulement of Bulance Chief to Menting Het Ci			
		1 As Reported (net of ceded)	2 Restatement Adjustments	3 Restated (gross of ceded)
		(net or ceded)	Adjustinents	(gross or cedea)
	ASSETS (Page 2, Col. 3)			
1.	Cash and invested assets (Line 10)	208,064,541		208,064,541
2.	Accident and health premiums due and unpaid (Line 12)	5,900,266		5,900,266
3.	Amounts recoverable from reinsurers (Line 13.1)	138,874		138,874
4.	Net credit for ceded reinsurance.	xxx	188,874	188,874
5.	All other admitted assets (Balance)	8,282,958		8,282,958
6.	Total assets (Line 26)	222,386,639	188,874	222,575,513
	LIABILITIES, CAPITAL AND SURPLUS (Page 3)			
7.	Claims unpaid (Line 1)	71,525,377	188,874	71,714,251
8.	Accrued medical incentive pool and bonus payments (Line 2)	33,897,648		33,897,648
9.	Premiums received in advance (Line 8)	14,117,638		14,117,638
10.	Reinsurance in unauthorized companies (Line 18).	0		0
11.	All other liabilities (Balance)	2,905,485		2,905,485
12.	Total liabilities (Line 22)	122,446,148	188,874	122,635,022
13.	Total capital and surplus (Line 30)	99,940,491	XXX	99,940,491
14.	Total liabilities, capital and surplus (Line 31)	222,386,639	188,874	222,575,513
	NET CREDIT FOR CEDED REINSURANCE			
15.	Claims unpaid	188,874		
16.	Accrued medical incentive pool.	0		
17.	Premiums received in advance	0		
18.	Reinsurance recoverable on paid losses	0		
19.	Other ceded reinsurance recoverables	0		
20.	Total ceded reinsurance recoverables	188,874		
21.	Premiums receivable	0		
22.	Unauthorized reinsurance	0		
23.	Other ceded reinsurance payables/offsets	0		
24.	Total ceded reinsurance payable/offsets	0		
25.	Total net credit for ceded reinsurance	188,874		

57

SCHEDULE Y (continued) PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES

	PART 2 - SUMMARY OF INSURER'S TRANSACTIONS WITH ANY AFFILIATES											
1	2	3	4	5	6	7	8	9	10	11	12	13
NAIC Company Code	Federal ID Number	Names of Insurers and Parent, Subsidiaries or Affiliates	Shareholder Dividends	Capital Contributions	Purchases, Sales or Exchanges of Loans, Securities, Real Estate, Mortgage Loans or Other Investments	Income/ (Disbursements) Incurred in Connection with Guarantees or Undertakings for the Benefit of any Affiliate(s)	Agreements and Service Contracts	Income/ (Disbursements) Incurred Under Reinsurance Agreements	*	Any Other Material Activity Not in the Ordinary Course of the Insurer's Business	Totals	Reinsurance Recoverable/ (Payable) on Losses and/or Reserve Credit Taken/(Liability)
	38-3085182	Priority Health Managed Benefits. Spectrum Health Corporation. Priority Health Government Programs		0.050.004			(50,828,007)		· · · · · · · · · · · · · · · · · · ·	•	(50,828,007) 6,058,231 (2,010,000)	
11520	38 - 3382353 32 - 0016523	Spectrum Health Covernment Programs		6,058,231 (2,010,000)								
9999999 Cd	ontrol Totals		0	4,048,231	0	0	(50,828,007)	0	XXX	0	(46,779,776)	0

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your annual statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

MARCH FILING

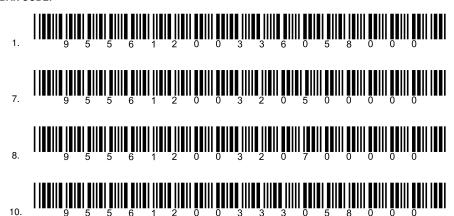
1.	Will the Medicare Supplement Insurance Experience Exhibit be filed with the state of domicile and the NAIC by March 1?	Yes		No [[X]
2.	Will the Supplemental Compensation Exhibit be filed with the state of domicile by March 1?	Yes	[X]	No [[]
3.	Will an actuarial certification be filed by March 1?	Yes	[X]	No [[]
4.	Will the Risk-based Capital Report be filed with the NAIC by March 1?	Yes	[X]	No [[]
5.	Will the Risk-based Capital Report be filed with the state of domicile, if required by March 1?	Yes	[X]	No [[]
6.	Will the SVO Compliance Certification be filed by March 1?	Yes	[X]	No [[]
7.	Will the Life Supplement be filed the state of domicile and the NAIC by March 1?	Yes	[]	No [[X]
8.	Will the Property/Casualty Supplement be filed the state of domicile and the NAIC by March 1?	Yes	[]	No [[X]
	APRIL FILING				
9.	Will Management's Discussion and Analysis be filed by April 1?	Yes	[X]	No [[]
10.	Will the Long-Term Care Experience Reporting Forms be filed with the state of domicile by April 1?	Yes	[]	No [[X]
11.	Will the Investment Risks Interrogatories be filed by April 1?	Yes	[X]	No [[]
	JUNE FILING				
12.	Will an audited financial report be filed by June 1 with the state of domicile?	Yes	[X]	No [[]
XPL	ANATIONS:				
. n/a					

E

8. n/a

10. n/a

BAR CODE:



OVERFLOW PAGE FOR WRITE-INS

M016 Additional Aggregate Lines for Page 16 Line 4. *EXNONADMIT

0404. Healthcare Receivables	3,413,481	D	(3,413,481)
0497. Summary of remaining write-ins for Line 4 from Page 16	3,413,481	0	(3,413,481)